

In re: Stambaugh Aviation, Inc
DebtorCase No. 1-02-03208
Reporting Period: December 1 thru December 31, 2002

BANK RECONCILIATIONS

Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.

	Operating	Payroll	Tax	Operating				
	#172550	#811881	#					
BALANCE PER BOOKS	13,424.42	117.13						
BANK BALANCE	14,257.92	1,958.92						
(+) DEPOSITS IN TRANSIT (ATTACH LIST)								
(-) OUTSTANDING CHECKS (ATTACH LIST)	733.50	1,867.79						
OTHER (ATTACH EXPLANATION)								
ADJUSTED BANK BALANCE *	13,524.42	91.13	0.00	0.00				
* Adjusted bank balance must equal balance per books								
DEPOSITS IN TRANSIT	Date	Amount	Date	Amount				
CHECKS OUTSTANDING	Ck. #	Amount	Ch. #	Amount	Ck. #	Amount	Ck. #	Amount
	1135	185.00	20770	715.60				
	1142	153.20	20779	515.07				
	1146	47.01	20780	637.12				
	1156	342.80						
	1157	5.49						

OTHER

In re: Stambaugh Aviation, Inc
DebtorCase No. 1-02-03208
Reporting Period: December 1 thru December 31, 2002STATEMENT OF OPERATIONS
(Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

		Month	Year-to-Date
REVENUES			
Gross Revenues	\$41,350		282,518
Less: Returns and Allowances			
Net Revenue	\$41,350		\$282,518
COST OF GOODS SOLD			
Beginning Inventory	132,921		132,921
Add: Purchases	9,506		12,758
Add: Cost of Labor	9,392		66,588
Add: Other Costs (attach schedule)			
Less: Ending Inventory	132,921		132,921
Cost of Goods Sold	\$18,898		\$79,346
Gross Profit	\$22,452		\$203,172
OPERATING EXPENSES			
Advertising	240		1,129
Auto and Truck Expense			
Bad Debts			
Contributions	277		1,747
Employee Benefits Programs			
Insider Compensation*	599		3,910
Insurance			
Management Fees/Bonuses	446		2,881
Office Expense			490
Pension & Profit-Sharing Plans	875		1,323
Repairs and Maintenance	4,929		27,438
Rent and Lease Expense	1,277		61,719
Salaries/Commissions/Fees	768		2,282
Supplies	942		8,650
Taxes - Payroll			
Taxes - Real Estate			342
Taxes - Other	780		7,493
Travel and Entertainment	1,926		5,135
Utilities			882
Other (attach schedule)			
Total Operating Expenses Before Depreciation	\$13,059		\$125,423
Depreciation/Depletion/Amortization	992		6,944
Net Profit (Loss) Before Other Income & Expenses	\$8,401		\$70,805
OTHER INCOME AND EXPENSES			
Other Income (attach schedule)			
Interest Expense	2,757		14,869
Other Expense (attach schedule)			
Net Profit (Loss) Before Reorganization Items	\$5,644		\$55,936
REORGANIZATION ITEMS			
Professional Fees			750
U. S. Trustee Quarterly Fees	500		
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)			
Gain (Loss) from Sale of Equipment			
Other Reorganization Expenses (attach schedule)			
Total Reorganization Expenses	\$500		\$750
Income Taxes			
Net Profit (Loss)	\$5,144		\$55,186

* "Insider" is defined in 11 U.S.C. Section 101(31).

FORM MOR-2

(9-99)

In re: Stumbaugh Aviation, Inc
Debtor

Case No. 1-02-03208
Reporting Period: December 1 thru December 31, 2002

STATEMENT OF OPERATIONS - continuation sheet

Breakdown of Other Operations		Complaint Filing Date
Other Car Expenses		
Licenses		800
Uniforms		82
Other Operational Expenses		
Other Expenses		
Other Reorganization Expenses		

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:
Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the
bankruptcy proceeding, should be reported as a reorganization item.

FORM MOR-2 (CONT)
(9-99)

In re: Stambuegh Aviation, Inc.
DebtorCase No. 1-02-03208
Reporting Period December 1 thru December 31, 2002

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.

	BOOK VALUE AS OF PETITION DATE (CREDIT REPORTING DATE)	BOOK VALUE AS OF DECEMBER 31, 2002
CURRENT ASSETS		
Unrestricted Cash and Equivalents	13,704	6,864
Restricted Cash and Cash Equivalents (see continuation sheet)		
Accounts Receivable (Net)	14,867	15,292
Notes Receivable		
Inventories	132,921	132,921
Prepaid Expenses		4,056
Professional Retainers		
Other Current Assets (attach schedule)		
TOTAL CURRENT ASSETS	\$161,492	\$159,143
PROPERTY AND EQUIPMENT		
Real Property and Improvements		554,258
Machinery and Equipment	554,258	554,258
Furniture, Fixtures and Office Equipment	100,391	100,391
Leasehold Improvements	24,314	24,314
Vehicles	16,706	16,706
Less Accumulated Depreciation	(659,130)	(652,184)
TOTAL PROPERTY & EQUIPMENT	\$36,539	\$43,485
OTHER ASSETS		
Loans to Insiders*		
Other Assets (attach schedule)	11,942	11,942
TOTAL OTHER ASSETS	\$11,942	\$11,942
TO TAPE ASSETS		

	BOOK VALUE AS OF PETITION DATE (CREDIT REPORTING DATE)	BOOK VALUE AS OF DECEMBER 31, 2002
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)		
Accounts Payable		
Taxes Payable (refer to FORM MOR-4)	816	
Wages Payable (Paid 1/2/03)	18,145	
Notes Payable		
Rent / Leases - Building/Equipment		
Secured Debt / Adequate Protection Payments		
Professional Fees		
Amounts Due to Insiders*	2,164	
Other Postpetition Liabilities (attach schedule)		
TOTAL POSTPETITION LIABILITIES	\$21,125	\$0
LIABILITIES SUBJECT TO COMPROMISE (Post-Petition)		
Secured Debt	486,085	499,915
Priority Debt	557,016	584,074
Unsecured Debt	746,447	754,223
TOTAL PRE-PETITION LIABILITIES	\$1,789,548	\$1,838,212
TOTAL LIABILITIES	\$1,810,673	\$1,838,212
OWNER'S EQUITY		
Capital Stock	100	100
Additional Paid-In Capital		
Partners' Capital Account		
Owner's Equity Account		
Retained Earnings - Pre-Petition	(1,655,986)	(1,623,742)
Retained Earnings - Postpetition	55,186	
Adjustments to Owner Equity (attach schedule)		
Postpetition Contributions (Distributions) (Draws) (attach schedule)		
NET OWNER EQUITY	(\\$1,600,780)	(\\$1,623,642)
TOTAL LIABILITIES AND OWNERS EQUITY	\$1,810,673	\$1,838,212

FORM MOR-3
(9/99)

* "Insider" is defined in 11 U.S.C. Section 101(31).

In re: Stambaugh Aviation, Inc.
DebtorCase No. 1-02-03208
Reporting Period: December 1 thru December 31, 2002

BALANCE SHEET - continuation sheet

ASSETS		BOOK VALUE	FAIR VALUE
LIABILITIES AND OWNER'S EQUITY		BOOK VALUE	FAIR VALUE
Other Current Assets			
Other Assets			
Security Deposit		11,942	11,942
Accrued Interest Payable to Bank		2,164	
Prepayment Commitments/ Distributions/Draws			

Restricted Cash: cash that is restricted for a specific use and not available to fund operations. Typically, restricted cash is segregated into a separate account, such as an escrow account.

FORM MOR-3 (CONT)
(9/99)

In re: Stambaugh Aviation, Inc.
DebtorCase No. 1-02-01208
Reporting Period, December 1 thru December 31, 2002

STATUS OF POSTPETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.
 Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.
 Attach photocopies of any tax returns filed during the reporting period.

Category	Amount	Period	Period	Method	Amount
Federal Taxes					
Withholding	0.00	1,570.06	1,570.06	EFT	0.00
FICA-Employee	0.00	911.81	911.81	EFT	0.00
FICA-Employer	0.00	911.81	911.81	EFT	0.00
Unemployment (Due quarterly)	94.62				94.62
Income					0.00
Other:					0.00
Total Federal Taxes	\$94.62	\$3,393.68	\$3,393.68		
State and Local Taxes					712.78
Withholding	0.00	712.78			0.00
Sales					0.00
Excise					7.94
Unemployment (Due quarterly)	7.94				0.00
Real Property					0.00
Personal Property					0.00
Other:					579.72
Total State and Local	\$7.94	\$712.78	\$0.00		\$730.72
Total Taxes	\$102.56	\$4,106.46	\$3,393.68		\$815.34

SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable

Category	Amount	Period	Period	Method	Amount
Accounts Payable					0
Wages Payable	18,145				18,145
Taxes Payable	816				816
Rent/Lessee-Building					0
Rent/Lessee-Equipment					0
Secured Debt/Adequate Protection Payments					0
Professional Fees					0
Amounts Due to Insiders*					0
Other Interest Payable to Bank	2,164				2,164
Other Accrued Expenses					0
Total Postpetition Debts	21,125				21,125

Explain how and when the Debtor intends to pay any past-due postpetition debts.

**"Insider" is defined in 11 U.S.C. Section 101(31)

FORM MOR-4
(9/99)

In re: Stumbaugh Aviation, Inc
DebtorCase No. 1-02-03208
Reporting Period: December 1 thru December 31, 2002

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation		Amount
Total Accounts Receivable at the beginning of the reporting period		14,917
+ Amounts billed during the period		41,350
- Amounts collected during the period		41,400
Total Accounts Receivable at the end of the reporting period		14,867

Accounts Receivable Aging		Amount
0 - 30 days old		
31 - 60 days old		
61 - 90 days old		
91+ days old		14,867
Total Accounts Receivable		14,867
Amount considered uncollectible (Bad Debt)		14,542
Accounts Receivable (Net)		325

DEBTOR QUESTIONNAIRE

Must be completed each month		Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.			X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.			X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X		
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X		

FORM MOR-5
(9/99)

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF PENNSYLVANIA

In re: Stambaugh Aviation, Inc.

Case No. 1-02-03208

Reporting Period: December 1 thru December 31, 2003

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (CONT)	X	
Copies of bank statements			
Cash disbursements journals			
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			
Copies of tax returns filed during reporting period			
Summary of Unpaid Postpetition Debts	MOR-4	X	
Listing of aged accounts payable			
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor_____
Date_____
Signature of Joint Debtor_____
Date_____
Signature of Authorized Individual*_____
Date

2/27/04

Mark R. Stambaugh

Printed Name of Authorized Individual

President

Title of Authorized Individual

* Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

FORM MOR
(9-99)

In re: Stanbury Aviation, Inc.
Date: 12/31/2006Case No. 1:00-cv-00660
Reporting Period: December 1 thru December 31, 2006

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be per the debtor's books, not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. The amounts reported in the "PROJECTED" columns should be taken from the SMALL BUSINESS INTRAL REPORT (FORM IR-1). Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. (See MOR-1 (CONT))

BANK ACCOUNTS				CURRENT MONTH		CUMULATIVE FILING TO DATE		
CASH BEGINNING OF MONTH	OPER.	PAYOUT	TAX	OPER.	ACTUAL	PROJECTED	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	(4,753.93)	5,448.10			684.17		6,765.62	
RECEIPTS								
CASH SALES					0.00		0.00	
ACCOUNTS RECEIVABLE	18,578.73				18,578.73		793,317.13	
LOANS AND ADVANCES					0.00		0.00	
SALE OF ASSETS					0.00		0.00	
OTHER (ATTACH LIST)					0.00		72,424.28	
TRANSFERS (FROM DIP ACCTS)		5,173.05			5,173.05		261,598.37	
TOTAL RECEIPTS	18,578.73	6,173.05	0.00	0.00	24,751.78	0.00	1,127,339.78	0.00
DISBURSEMENTS								
NET PAYROLL		12,886.11			12,886.11		287,025.60	
PAYROLL TAXES					0.00		67,623.56	
SALES, USE, & OTHER TAXES					0.00		445.27	
INVENTORY PURCHASES	2,972.56				2,972.56		159,079.54	
SECURED RENTAL LEASES					0.00		204,568.61	
INSURANCE	1,152.00				1,152.00		5,097.06	
ADMINISTRATIVE	365.89	0.00			480.89		10,877.43	
SELLING					0.00		20,254.54	
OTHER (ATTACH LIST)	2,415.54				2,415.54		118,350.78	
OWNER DRAW					0.00		0.00	
TRANSFERS (TO DIP ACCTS)	5,173.05				5,173.05		261,598.17	
PROFESSIONAL FEES					0.00		0.00	
U.S. TRUSTEE QUARTERLY FEES					0.00		0.00	
JUR COSTS					0.00		0.00	
TOTAL DISBURSEMENTS	13,111.04	12,970.11	0.00	0.00	26,081.15	0.00	1,134,700.60	0.00
NET CASH FLOW	5,467.59	(5,797.05)	0.00	0.00	(1,329.37)	0.00	(7,410.82)	0.00
RECEIPTS LESS DISBURSEMENTS								
CASH - END OF MONTH	703.75	(1,353.55)	0.00	0.00	(545.20)	0.00	(645.20)	0.00

**COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)	
TOTAL DISBURSEMENTS	26,081.15
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	6,173.05
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES & C FROM ESCROW ACCOUNT	0.00
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	19,908.10

FORM MOR-1
(4-94)

Stambaugh Aviation, Inc.
DebtorCase No. 1:00-cv-00660-YK-JAS
Reporting Period December 1 thru December 31, 2003STATEMENT OF OPERATIONS
(Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

	Month	Cumulative Filing to Date
REVENUES		
Gross Revenues	\$18,579	1,036,954
Less: Returns and Allowances		
Net Revenue	\$18,579	\$1,036,954
COST OF GOODS SOLD		
Beginning Inventory	129,382	132,921
Add: Purchases	3,871	73,357
Add: Cost of Labor	5,429	413,575
Add: Other Costs (attach schedule)		
Less: Ending Inventory	129,382	129,382
Cost of Goods Sold	\$9,300	\$490,471
Gross Profit	\$9,279	\$546,483
OPERATING EXPENSES		
Advertising	33	120
Auto and Truck Expense		2,221
Bad Debts		
Contributions		
Employee Benefits Programs	979	4,551
Insider Compensation*		
Insurance	1,507	21,826
Management Fees/Bonuses		
Office Expense	445	14,343
Pension & Profit-Sharing Plans		490
Repairs and Maintenance	191	46,871
Rent and Lease Expense		87,567
Salaries/Commissions/Fees	1,920	118,466
Supplies	1,558	11,742
Taxes - Payroll	1,897	47,353
Taxes - Real Estate		
Taxes - Other		638
Travel and Entertainment	943	68,574
Utilities	2,004	56,332
Other (attach schedule)	165	2,696
Total Operating Expenses Before Depreciation	\$11,642	\$483,790
Depreciation/Depletion/Amortization	1,950	18,475
Net Profit (Loss) Before Other Income & Expenses	(\$4,313)	\$44,218
OTHER INCOME AND EXPENSES		
Other Income (attach schedule)		
Interest Expense	1,735	37,547
Other Expense (attach schedule)		
Net Profit (Loss) Before Reorganization Items	(\$6,048)	\$6,671
REORGANIZATION ITEMS		
Professional Fees		
U. S. Trustee Quarterly Fees		3,500
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)		
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses (attach schedule)		
Total Reorganization Expenses	\$0	\$3,500
Income Taxes		
Net Profit (Loss)	(\$6,048)	\$3,171

* "Insider" is defined in 11 U.S.C. Section 101(31)

In re: Stambaugh Aviation, Inc.
Debtor

Case No. 1:02-bk-3218
Reporting Period December 1 thru December 31, 2001

STATEMENT OF OPERATIONS - continuation sheet

BREAKDOWN OF "OTHER" CATEGORY	Month	Cumulative Filing to Date	
Other Costs			
Other Operational Expenses			
Licenses			
Uniforms			143
Dues		165	1,389
Training			1,118
Tools			46
Other Income			
Other Expenses			
Other Reorganization Expenses			

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item

FORM MOR-2 (CONT)
(9-99)

2007
Form MGR-3 (Rev. 4-14-01) and 100-6 (Rev. 1-1-01)

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
CURRENT ASSETS		
Unrestricted Cash and Equivalents	(193)	6,861
Restricted Cash and Cash Equivalents (see continuation sheet)		
Accounts Receivable (Net)	91,335	15,292
Notes Receivable		
Inventories	129,582	132,921
Prepaid Expenses		4,066
Professional Retainers		
Other Current Assets (attach schedule)	0	
TOTAL CURRENT ASSETS	\$226,224	\$159,143
PROPERTY AND EQUIPMENT		
Real Property and Improvements		
Machinery and Equipment	554,258	554,258
Furniture, Fixtures and Office Equipment	169,391	169,391
Leasehold Improvements	24,314	24,314
Vehicles	16,706	16,706
Less Accumulated Depreciation	(668,783)	(652,181)
TOTAL PROPERTY & EQUIPMENT	\$26,481	\$43,483
OTHER ASSETS		
Loans to Insiders*		
Other Assets (attach schedule)	11,942	11,942
TOTAL OTHER ASSETS	\$11,942	\$11,942
TOTAL ASSETS	\$259,127	\$214,570

LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)		
Accounts Payable	111,224	
Taxes Payable (refer to FORM MGR-4)	5,254	
Wages Payable (Paid 1-5-04)	23,091	
Notes Payable		
Rent, Leases - Building Equipment		
Secured Debt - Adequate Protection Payments		
Professional Fees		
Amounts Due to Insiders*		
Other Postpetition Liabilities (attach schedule)	93,046	
TOTAL POSTPETITION LIABILITIES	\$233,865	\$0
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)		
Secured Debt	155,659	499,915
Priority Debt	175,871	584,074
Unsecured Debt	746,447	754,223
TOTAL PRE-PETITION LIABILITIES	\$1,677,977	\$1,838,212
TOTAL LIABILITIES	\$1,911,842	\$1,838,212
OWNER EQUITY		
Capital Stock	193	169
Additional Paid-In Capital		
Partners' Capital Account		
Owner's Equity Account		
Retained Earnings - Pre-Petition	(1,655,986)	(1,623,742)
Retained Earnings - Postpetition	3,171	
Adjustments to Owner Equity (attach schedule)		
Postpetition Contributions (Distributions) (Draws) (attach schedule)		
NET OWNER EQUITY	(51,652,715)	(\$1,623,612)
TOTAL LIABILITIES AND OWNERS' EQUITY	\$259,127	\$214,570

* "Insider" is defined in 11 U.S.C. Section 101(11).

FORM MGR-3
(9-99)

Case 1:00-cv-00660-YK-JAS Document 100-6 Filed 07/05/2007 Page 13 of 32

Case 1:00-cv-00660-YK-JAS
Reporting Period December 1, 2006 - December 31, 2006

BALANCE SHEET - continuation sheet

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Current Assets		
Prepaid Insurance		
		0
Other Assets		
Security Deposit	11,942	11,942
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Postpetition Liabilities		
Accrued Interest Payable to Bank	1,734	
Due to affiliated company	91,262	
		93,096
Adjustments to Owner Equity		
Postpetition Contributions (Distributions) (Draws)		

Restricted Cash: cash that is restricted for a specific use and not available to fund operations. Typically, restricted cash is segregated into a separate account, such as an escrow account.

FORM MOR-3 (CONT)
(9-99)

Case 1:00-cv-00660-YK-JAS
Debtor:Case No. 1:00-cv-00660-YK-JAS
Filing Date: December 10, 2000

STATUS OF POSTPETITION TAXES

The beginning tax liability should be the ending liability from the prior month, or if this is the first report, the amount should be zero. Attach photocopies of IRS Form 4123 or payment receipt to verify payment or deposit of federal payroll taxes. Attach photocopies of any tax returns filed during the reporting period.

Category	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
Federal						
Withholding	0.00	1,074.81	1,074.81	12/10 - 12/24	EFT	0.00
FICA-Employee	0.00	1,251.23	1,251.23	12/10 - 12/24	EFT	0.00
FICA-Employer	0.00	1,251.23	1,251.23	12/10 - 12/24	EFT	0.00
Unemployment (Due quarterly)	822.35	215.93				1,036.28
Income						0.00
Other						0.00
Total Federal Taxes	822.35	\$3,791.31	\$3,577.40			\$1,036.28
State and Local						
Withholding	3,510.91	2,812.65	5,629.85	12/10 & 12/24	UK 11296-321	693.71
Sales						0.00
Excise						0.00
Unemployment (Due quarterly)	2,692.05	831.70				3,523.75
Real Property						0.00
Personal Property						0.00
Other						0.00
Total State and Local	\$6,202.96	\$3,641.35	\$5,629.85			\$4,217.46
Total Taxes	\$7,025.31	\$7,435.68	\$9,207.25			\$5,253.74

SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable

Category	Current			Number of Days Past Due			Total
	10-30	31-60	61-90	91-120	Over 120		
Accounts Payable	23,485	61,198	25,481				110,164
Water Payable (End 10-6-01)	23,641						23,641
Taxes Payable	5,284						5,284
Rent Lease-Holding							0
Rent Lease-Equipment							0
Secured Debt Adomine Protection Payments							0
Professional Fees							0
Amounts Due to Insiders*							0
Other Interest Payable to Bank	1,721						1,721
Other Accrued Expenses	91,462						91,462
Total Postpetition Debts	117,156	\$3,498	25,361	0	0		233,865

Explain how and when the Debtor intends to pay any past-due postpetition debts

* "Insider" is defined in 11 U.S.C. Section 101(31).

FORM MOR-4
(4-99)

Case 1:00-cv-00660-YK-JAS
DebtorsCase No. 1:00-cv-00660-YK-JAS
Reporting Period December 1 thru December 31, 2006

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	91,335
+ Amounts billed during the period	18,579
- Amounts collected during the period	18,579
Total Accounts Receivable at the end of the reporting period	91,335

Accounts Receivable Aging	Amount
0 - 30 days old	
31 - 60 days old	
61 - 90 days old	53,607
91+ days old	37,728
Total Accounts Receivable	91,335
Amount considered uncollectible (Bad Debt)	
Accounts Receivable (Net)	91,335

DEBTOR QUESTIONNAIRE

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	

FORM MOR-5
(9.99)

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF PENNSYLVANIA

In re: Stambaugh's Air Service, Inc.

Case No. 1-02-03207

Reporting Period: December 1 thru December 31, 2003

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (CONT)	X	
Copies of bank statements		X	
Cash disbursements journals			
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			
Copies of tax returns filed during reporting period			
Summary of Unpaid Postpetition Debts	MOR-4	X	
Listing of aged accounts payable			
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief

Signature of Debtor_____
Date_____
Signature of Joint Debtor_____
Date_____
Signature of Authorized Individual*_____
Date

2/27/04

Mark R. Stambaugh_____
President

Printed Name of Authorized Individual

Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

FORM MOR
(9/99)

In re: Stambaugh's Air Service, Inc.
DebtorCase No. 1-02-03207
Reporting Period: December 1 thru December 31, 2003

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be per the debtor's books, not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. The amounts reported in the "PROJECTED" columns should be taken from the SMALL BUSINESS INITIAL REPORT (FORM IR-1). Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CONT)]

CASH BEGINNING OF MONTH	BANK ACCOUNTS			CURRENT MONTH		CUMULATIVE TILLING TO DATE		
	OPEN	OPER.	PAYOUT	PAYOUT	ACTUAL	PROJECTED	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	0.00	16,914.63	0.00	15,124.78	32,039.41		43,308.37	
RECEIPTS					0.00			
CASH SALES					48,782.44		409,308.44	
ACCOUNTS RECEIVABLE						48,782.44		4,284,305.80
LOANS AND ADVANCES						0.00		1,550.00
SALE OF ASSETS						0.00		1,000.00
OTHER (ATTACH LIST)					4,058.30		275,679.40	
TRANSFERS (FROM DIP ACCTS)					2,720.00	31,575.00		2,525,070.43
						34,295.00		0.00
TOTAL RECEIPTS	0.00	55,560.74	0.00	31,575.00		87,135.74	0.00	7,486,914.07
DISBURSEMENTS								
NET PAYROLL					466.46	19,334.60		1,895,496.66
PAYROLL TAXES					3,090.11	9,776.96		948,702.18
SALES, USE, & OTHER TAXES						0.00		4,550.16
INVENTORY PURCHASES						0.00		619,826.93
SECURED/RENTAL/LEASES					13,267.90			602,890.21
INSURANCE					12,180.36			476,815.07
ADMINISTRATIVE					81.08			24,158.38
SELLING					2,769.24			45,302.55
OTHER (ATTACH LIST)					567.24			311,076.66
OWNER DRAW *								
TRANSFERS (TO DIP ACCTS)					31,575.00	2,720.00		2,525,070.43
PROFESSIONAL FEES						0.00		36,237.00
U.S. TRUSTEE QUARTERLY FEES						0.00		26,750.00
COURT COSTS								
TOTAL DISBURSEMENTS	0.00	63,997.39	0.00	31,831.56		95,828.95	0.00	7,516,876.24
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	0.00	(8,438.65)	0.00	(256.56)		(8,693.21)	0.00	(19,982.17)
CASH - END OF MONTH	0.00	8,477.98	0.00	14,868.22		23,346.20	0.00	23,346.20
								0.00

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES* (FROM CURRENT MONTH ACTUAL COLUMN)		
TOTAL DISBURSEMENTS		95,828.95
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS		34,295.00
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)		
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES		61,533.95

FORM MOR-1
(P9/99)

In re: Stambaugh's Air Service, Inc.
Debtor

Case No 1-02-03207
Reporting Period:December 1 thru December 31, 2003

Other Disbursements

Rep. & Maintenance	264.73
Travel Exp.	
Utilities	302.51
Dues & Subscriptions	
Employee Benefits	<u>567.24</u>

Other Receipts

Employee Benefits	4,058.30
Insurance refund	
Other Receivables	<u>4,058.30</u>

In re: Stambaugh's Air Service, Inc
Debtor

Case No 1-02-03207
Reporting Period:December 1 thru December 31, 2003

BANK RECONCILIATIONS

Continuation Sheet for MOR-1

The debtor's bank reconciliation may be substituted for this page.

OTHER

FORM MOR-I (CONT)

[579]

7.218 06

In re: Stambaugh's Air Service, Inc.
DebtorCase No. 1-02-03207
Reporting Period: December 1 thru December 31, 2003STATEMENT OF OPERATIONS
(Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

	Month	Cumulative Ending to Date
REVENUES		
Gross Revenues	\$48,782	4,883,750
Less: Returns and Allowances		
Net Revenue	\$48,782	\$4,883,750
COST OF GOODS SOLD		
Beginning Inventory	453,413	456,807
Add: Purchases	410	282,733
Add: Cost of Labor	2,793	1,809,707
Add: Other Costs (attach schedule)		
Less: Ending Inventory	453,413	453,413
Cost of Goods Sold	\$3,203	\$2,095,834
Gross Profit	\$45,579	\$2,787,916
OPERATING EXPENSES		
Advertising		1,177
Auto and Truck Expense		1,615
Bad Debts		
Contributions		
Employee Benefits Programs	866	113,458
Insider Compensation*		
Insurance	22,375	279,554
Management Fees/Bonuses		
Office Expense		11,292
Pension & Profit-Sharing Plans		
Repairs and Maintenance	201	112,670
Rent and Lease Expense		200,886
Salaries/Commissions/Fees	20,048	846,736
Supplies		21,545
Taxes - Payroll	1,953	220,272
Taxes - Real Estate		21,363
Taxes - Other		12,281
Travel and Entertainment		57,823
Utilities	1,735	105,640
Other (attach schedule)		9,933
Total Operating Expenses Before Depreciation	\$47,178	2,016,245
Depreciation/Depletion/Amortization	3,998	87,001
Net Profit (Loss) Before Other Income & Expenses	(S5,597)	684,670
OTHER INCOME AND EXPENSES		
Other Income (attach schedule)		
Interest Expense	5,701	122,498
Other Expense (attach schedule)		
Net Profit (Loss) Before Reorganization Items	(S11,298)	562,172
REORGANIZATION ITEMS		
Professional Fees		38,386
U. S. Trustee Quarterly Fees		26,000
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)		
Gain (Loss) from Sale of Equipment		(1,000)
Other Reorganization Expenses (attach schedule)		
Total Reorganization Expenses	\$0	63,386
Income Taxes		
Net Profit (Loss)	(S11,298)	\$498,786

* "Insider" is defined in 11 U.S.C. Section 101(31)

FORM MOR-2

(9/99)

In re: Stambaugh's Air Service, Inc
Debtor

Case No. 1-02-03207
Reporting Period: December 1 thru December 31, 2003

STATEMENT OF OPERATIONS - continuation sheet

BREAKDOWN OF "OTHER" CATEGORY	Month	Cumulative Balancing to Date	
Other Costs			
Other Operational Expenses			
Other Income			
Other Expenses			
Employee Training			2,324
Dues and Subscriptions			5,720
Security (Airport Badges)			1,230
Uniforms			659
Other Reorganization Expenses			

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item

FORM MOR-2 (CON'T)
(9/99)

In re: Stambaugh's Air Service, Inc.
DebtorCase No. 1-02-03207
Reporting Period: December 1 thru December 31, 2003

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
CURRENT ASSETS		
Unrestricted Cash and Equivalents	23,646	43,308
Restricted Cash and Cash Equivalents (see continuation sheet)	737,699	1,059,340
Accounts Receivable (Net)		
Notes Receivable	453,413	456,807
Inventories		
Prepaid Expenses		
Professional Retainers		
Other Current Assets (attach schedule)	1,541,530	846,334
TOTAL CURRENT ASSETS	\$2,756,288	\$2,405,789
PROPERTY AND EQUIPMENT		
Real Property and Improvements	768,456	768,456
Machinery and Equipment	1,821,285	1,816,780
Furniture, Fixtures and Office Equipment	289,866	283,755
Leasehold Improvements	443,504	443,504
Vehicles	518,287	521,787
Less Accumulated Depreciation	(3,175,576)	(3,092,073)
TOTAL PROPERTY & EQUIPMENT	\$665,822	\$742,209
OTHER ASSETS		
Loans to Insiders*	3,733,605	3,777,211
Other Assets (attach schedule)	\$3,733,605	\$3,777,211
TOTAL OTHER ASSETS	\$3,733,605	\$3,777,211
TOTAL ASSETS	\$7,195,715	\$6,925,409

LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Post-petition)		
Accounts Payable	49,638	
Taxes Payable (refer to FORM MOR-4)	32,047	
Wages Payable (Paid 1/5/04)	7,230	41,020
Notes Payable		
Rent / Leases - Building/Equipment		
Secured Debt / Adequate Protection Payments		
Professional Fees		
Amounts Due to Insiders*		
Other Postpetition Liabilities (attach schedule)	5,896	
TOTAL POSTPETITION LIABILITIES	\$94,811	\$41,020
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)		
Secured Debt	1,585,093	1,633,050
Priority Debt	752,216	947,099
Unsecured Debt	1,018,703	1,097,934
TOTAL PRE-PETITION LIABILITIES	\$3,356,012	\$3,678,083
TOTAL LIABILITIES	\$3,450,823	\$3,719,103
OWNER EQUITY		
Capital Stock	10,000	10,000
Additional Paid-In Capital	3,296	3,296
Partners' Capital Account		
Owner's Equity Account		
Retained Earnings - Pre-Petition	3,192,810	3,192,810
Retained Earnings - Postpetition	498,786	
Adjustments to Owner Equity (attach schedule)		
Postpetition Contributions (Distributions) (Draws) (attach schedule)		
NET OWNER EQUITY	\$3,704,892	\$3,206,106
TOTAL LIABILITIES AND OWNERS' EQUITY	\$7,195,715	\$6,925,409

FORM MOR-3
(9/99)

* "Insider" is defined in 11 U.S.C. Section 101(31)

In re: Stambaugh's Air Service, Inc.
DebtorCase No. 1-02-03207
Reporting Period: December 1 thru December 31, 2003

BALANCE SHEET - continuation sheet

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Current Assets		
Prepaid Expenses	59,312	119,813
Security Bond		149,976
Due from Affiliated companies	888,929	576,545
Work-in-progress	593,289	
	1,541,530	
Other Assets		
N/R - Shareholder	3,476,620	3,514,078
Security Deposits	24,000	26,000
N/R - Other	232,985	237,133
	3,733,605	
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Postpetition Liabilities		
Accrued Interest Payable to Bank	5,896	
Adjustments to Owner Equity		
Postpetition Contributions (Distributions) (Draws)		

Restricted Cash: cash that is restricted for a specific use and not available to fund operations. Typically, restricted cash is segregated into a separate account, such as an escrow account.

FORM MOR-3 (CONT)
(9/99)

In re: Stumbaugh's Air Service, Inc.
DebtorCase No. 1-02-03207
Reporting Period: December 1 thru December 31, 2003

STATUS OF POSTPETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Interest	Due Date	Check Number or EFT	Ending Tax Liability
Federal Withholding	0.00	2,290.16	2,290.16	12/10 & 12/24	EFT	0.00
FICA-Employee	0.00	1,954.70	1,954.70	12/10 & 12/24	EFT	0.00
FICA-Employer	0.00	1,954.70	1,954.70	12/10 & 12/24	EFT	0.00
Unemployment (Paid quarterly)	3,569.61					3,569.61
Income						0.00
Other:						
Total Federal Taxes	\$3,569.61	\$6,199.56	\$6,199.56			\$3,569.61
State and Local						
Withholding	370.11	714.88	733.24	12/3 & 12/15	Cl# 11316 & 31	351.75
Sales	0.00					0.00
Excise	0.00					0.00
Unemployment (Paid quarterly)	6,749.00	5.34				6,754.34
Real Property	18,726.18					18,726.18
Personal Property						0.00
Other-Local Tax W/H (Paid quarterly)	2,513.80	369.09	237.93	12/15	Cl# 11320	2,644.96
Total State and Local	\$28,359.09	\$1,089.31	\$971.17			\$28,477.23
Total Taxes	\$31,928.70	\$7,288.87	\$7,170.73			\$32,046.84

SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 90	
Accounts Payable	2,494	4,178	21,065	0	21,901	49,638
Wages Payable (Paid 1/5/04)	7,230					7,230
Taxes Payable	32,047					32,047
Rent/Leases-Building						0
Rent/Leases-Equipment						0
Secured Debt/Adequate Protection Payments						0
Professional Fees						0
Amounts Due to Insiders*						5,896
Other-Interest Payable to Bank	5,896					0
Other:						
Total Postpetition Debts	47,667	4,178	21,065	0	21,901	94,811

Explain how and when the Debtor intends to pay any past-due postpetition debts.

* "Insider" is defined in 11 U.S.C. Section 101(31).

FORM MOR-4
(9/99)

In re: Stambaugh's Air Service, Inc.
Debtor

Case No. 1-02-03207
Reporting Period: December 1 thru December 31, 2003

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	1,243,760
+ Amounts billed during the period	48,782
- Amounts collected during the period	48,782
Total Accounts Receivable at the end of the reporting period	1,243,760

Accounts Receivable Aging	Amount
0 - 30 days old	
31 - 60 days old	
61 - 90 days old	
91+ days old	1,243,760
Total Accounts Receivable	1,243,760
Amount considered uncollectible (Bad Debt)	506,061
Accounts Receivable (Net)	737,699

DEBTOR QUESTIONNAIRE

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	

FORM MOR-5
(9/99)

Combined SAS / SAI - 2004

Source Trial Balance

REVENUE

ACT #	Description	Total	Pro-Rated non related costs	4/20/2005 "000" SAS	4/6/2005 "001" SAI
3230	Aircraft Maintenance	727390		727390	
		1223283			1367896
	Corrections to sales act.				
	4th Q transfer SAS				-135000
	4th Q Debt payment				-9613
	Total Revenue	1950673			

COST OF SALES

4057	Sub Contract Cost	254879		91783	163296
4059	AC Maint Parts	50279			50279
4060	Gas/Oil	7172			7172
4070	Maint Rep Equip	20143		2513	17630
4072	Parts	110818		1114	109704
4080	Maint Rep Buildings	10572		1675	8897
4090	Utilities	44083		5241	38842
4339	Cost of Sales misc	2942			2942
4100	Health (Total)	36980	-12327	42314	6993
4102	Empl Ben (total)	5380	-1794	4240	2925
4110	General Ins (Auto, WC,etc)	108044		108044	
4120	Per Diem	141463		46843	94620
4200	Freight	17309		11432	5877
4280	Vac/Holiday	24782		24782	
4290	Payroll Tax	60198	-20066	36456	43808
4370	Depreciation non G and A	29608		21540	8068
4381	Msc Labor Payroll	640485		20207	620278
4165	Rent Cost of Sales	4929			4929
4220	Tools	4420			4420
4335	Equip Rental	1360			1360
4336		2316			2316
4151	Sales Comish.	30004		29081	923
	Total Cost of Sales	1608166	-34187	447074	1195279
	Gross Profit	342507			

		Total	Pro-rata Non-Product Power Plan	U.S. \$'s "000" SAS	U.S. \$'s "000" SAS
Revenue					
A/C					
B					
3110. Aircraft Maint.		727300			
2221.		1125120			
Corrections (1, 2, 3, 4, 5, 6, 7)					1357840
4th Qtr Transfers from SAB					(135000)
4th Qtr Debt Payable					(9613)
Total Revenue		1959673			
Cost of Sale					
4051 Sub-Contractor Costs		254670		91583	163295
4052 Inv. Mfg. - Parts		50270			50279
4060 Gens/0.1		772			
4070 M/R Egypt		201143			7172
4072 Parts		10313		2513	17530
4110 M/R Bld.		10572		1114	109704
4090 Vtals		44083		1675	9397
4100 Health (total)		2942		5241	38842
4102 Employment (total)		36930	(12327)	6171	6993
4110 (total) D&E (Ant)		5390	(17911)	4249	2925
4120 Worker Comp. Losses/Hang		108044		108044	
4200 Production		141453		46843	74620
4200 Freight		17309		11432	5377
4290 Variation Hld		24792		24792	
4290 Payroll Tax (Total)		60193	(20066)	36456	43338
4351 Depo - Nm G9A		29609		21540	3239
4381 Mfg. Labor - Payroll		64043		20207	652273
4155 Rent Cost of Sale		4929			4929
4210		4420			
4331 Egypt Rental		1360			4420
41381		2316			1350
4151 Sale Com -		30004		29081	2316
Cost of Sale		1609165	1774187	447074	923
4337 SAB Bld		1044189		260715	620279
Payroll Compt				GSA	163296
30 Sept h.				24959	
				Aged	
				252	

2005 Financial Statement

Gross Revenues	\$	1,928,100
Direct Cost of Revenues	\$	1,798,340
Indirect Costs of Revenues		
Bank	\$	385,000
Total Costs of Revenues	\$	2,183,340
Uncollected/Bad debt	\$	63,808
Gross Profit	\$	(319,048)
Loss before Other income	\$	(319,048)
Other Income		
Gain on involuntary Conversion of equipmt	\$	-
Interest Income	\$	-
Total Other Income	\$	-
Total Other income Expense	\$	-
Net Loss	\$	(319,048)
Retained Earnings at the beinning of the year	\$	(1,349)
Retained Earnings at end of the year	\$	22,339

Balance Sheet	Stampaugh Aviation	01/01/06 thru 12/31/06
---------------	--------------------	------------------------

Current Assets:

Cash	\$ 187,000
Receivables	
Trade	3,215,129
Affiliates	-
Employees and Others	1,879
Cost and Estimated Earnings in excess of Billings Open Contracts	
Vision Air	250,000
Xtra Airways	485,000
Imobiliar (B727)	2,500,000
Inventory	355,147
Total Current Assets	<u>\$ 6,807,155</u>

Property & Equipment:

Land & Buildings (2000 Appraisal)	4,400,000
Equipment & Vehicles	545,000
Leasehold Improvements	12,000
Total P. P. & E	<u>\$ 11,764,155</u>

Notes Receivable - Long Term	-
Notes Receivable - Shareholder	-
Security Deposits	-
Investment in Real Estate	-

Other Assets:

3 ea B727-200 Fuselages	1,300,000
3ea JT8-15 Powerplants	450,000
Total Other Assets	<u>1,750,000</u>

Total Assets	<u>\$ 13,514,155</u>
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Current Liabilities:

Notes Payable:	
Bank	\$ 2,581,000
Stockholders	-
Other	443,146
Taxes Payable	-
A/P and Accrued Expenses	41,389
Total Current Liabilities	<u>3,065,535</u>
Long Term Debt - Net of Current	<u>3,024,146</u>

Statement of Income	Stambaugh Aviation	01/01/06 thru 12/31/06
Direct Cost of Sales:		
Accounts Payables & Utilities	890.587	
Direct Labor & Taxes	1,693.730	
Indirect Labor & Taxes	184.683	
Insurance/Workers Compensation	1,878	
Employee Loans		
	Total Direct Costs of Sales	<u>\$ 2,970,869</u>
Indirect Cost of Sales:		
Airport Rent	59.268	
Other Costs		
Bank Payments	408.863	
Uncollected/Bad Debt		
	Total Indirect Costs to Sales	<u>468,231</u>
	Total Costs of Sales	<u>\$ 3,439,119</u>
Gross Profit		<u>\$ 288,162</u>

2006 Date	January	February	March	April	May	June	July	August	September	October	November	December	Total ¹
Gross Payroll & Taxes	126,488	123,164	135,955	223,636	140,387	135,088	143,712	127,770	147,565	244,105	153,266	176,584	
Rent	4,839	4,939	4,939	4,939	4,939	4,939	4,939	4,939	4,939	4,939	4,939	4,939	4,939
Insurances	8,466	9,610	49,128	9,083	9,339	28,639	8,941	26,231	7,486	6,310	9,774	11,625	
ADP Totals	20,071	44,357	87,745	45,473	55,155	42,142	43,489	64,094	109,144	81,020	103,379	137,326	
Per Diem/Travel/Misc.	478	1,200	10,852	1,801	7,825	10,448	3,287	2,802	2,899	3,730	2,891	790	
Bank Payments	40,413	17,868	17,855	34,807	38,519	35,973	36,573	36,915	30,465	38,185	37,410	37,910	
Total Expenditures	<u>208,856</u>	<u>201,148</u>	<u>306,484</u>	<u>319,829</u>	<u>260,234</u>	<u>257,277</u>	<u>240,941</u>	<u>261,751</u>	<u>311,598</u>	<u>378,289</u>	<u>321,658</u>	<u>369,175</u>	
Receivables Collected	<u>175,879</u>	<u>260,995</u>	<u>803,422</u>	<u>41,703</u>	<u>64,514</u>	<u>449,631</u>	<u>69,733</u>	<u>279,276</u>	<u>371,954</u>	<u>552,039</u>	<u>135,862</u>	<u>512,152</u>	
Balance	<u>(32,977)</u>	<u>59,847</u>	<u>498,938</u>	<u>(278,036)</u>	<u>(185,590)</u>	<u>182,354</u>	<u>(171,208)</u>	<u>17,525</u>	<u>60,356</u>	<u>183,750</u>	<u>(185,786)</u>	<u>142,977</u>	
Uncollected/Bad Debt													
Adjusted Balance													
1st Quarter Balance													<u>623,808</u>
2nd Quarter Balance													<u>(281,372)</u>
3rd Quarter Balance													<u>(93,327)</u>
4th Quarter Overlay													<u>140,934</u>
Uncollected/Bad Debt													
Year To Date Balance	0	0	0	0	0	0	0	0	0	0	0	0	<u>200,041</u>

Statement of Income	Stambaugh Aviation	01/01/06 thru 12/31/06
Direct Cost of Sales:		
Accounts Payables & Utilities		680,687
Direct Labor & Taxes		1,893,750
Indirect Labor & Taxes		
Insurance/Workers Compensation		164,693
Employee Loans		1,679
Total Direct Costs of Sales		<u>\$ 2,870,860</u>
Indirect Cost of Sales:		
Airport Rent		59,268
Other Costs		
Bank Payments		408,963
Uncollected/Bad Debt		-
Total Indirect Costs to Sales		<u>468,231</u>
Total Costs of Sales		<u>\$ 3,439,110</u>
Gross Profit		<u>\$ 288,162</u>

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